COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| AN EXAMINATION OF THE APPLICATION OF |) | |
|--------------------------------------|---|---------------------|
| THE FUEL ADJUSTMENT CLAUSE OF |) | |
| FARMERS RURAL ELECTRIC COOPERATIVE |) | CASE NO. 2009-00515 |
| CORPORATION FROM MAY 1, 2009 |) | |
| THROUGH OCTOBER 31, 2009 |) | |

ORDER

Pursuant to 807 KAR 5:056, the Commission, on January 27, 2010, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Farmers Rural Electric Cooperative Corporation ("Farmers") for the six-month period that ended on October 31, 2009.

As part of this review, Farmers complied with the Commission's Order to submit certain information concerning its compliance with 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that Farmers has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by Farmers through the FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission

ENTERED

MAY 1 7 2010

KENTUCKY PUBLIC SERVICE COMMISSION

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Executive Director

Bill Prather President & CEO Farmers R.E.C.C. 504 South Broadway P. O. Box 1298 Glasgow, KY 42141-1298